

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

First Place Financial Corp.

Point of Contact:	David W Gifford	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	111	Docket Number: (For Thrift Holding Companies)	H3282
CPP/CDCI Funds Received:	72,927,000	FDIC Certificate Number: (For Depository Institutions)	34657
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	March 13, 2009	City:	Warren
Date Repaid ¹ :	N/A	State:	Ohio

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

We have invested \$50 million of CPP Funds, \$14 million of that in 2010, in First Place Bank to support lending. For 2010 we made \$417 million of portfolio loans while maintaining prudent capital levels. Without CPP funds we would not have been able to make \$417 million of portfolio loans.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Following the line of reasoning above the \$403 million of loans supported by the CPP capital included \$109 million of commercial loans, \$236 million of residential mortgage loans and \$58 million of consumer loans.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

First Place Financial Corp.

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Place Financial Corp.

☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

We retained \$18 million of CPP funds at First Place Financial Corp. This left enough cash at the holding company to pay expenses, debt service and preferred stock dividends in the future without dividends from First Place Bank. That will let earnings at First Place Bank support future lending.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Place Financial Corp.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

During the twelve months ended December 31, 2010 we modified 265 loans with a total principal balance of \$38,428,686. In each case the additional capital from the CPP funds gave us the flexibility to modify the loan and avoid foreclosure when that was the best long-term solution for the borrower and the Bank. In other cases we were not able to avoid foreclosure and defaults by loan customers have resulted in increases in real estate owned obtained through foreclosure or through deeds in lieu of foreclosure. The additional capital supplied by the CPP funds has enabled First Place Bank to retain some of these properties as rental properties and market the remaining properties in an orderly manner. This orderly disposition of real estate minimizes losses over the long-term and can also serve to stabilize real estate values in the neighborhoods where the properties are located.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Place Financial Corp.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Another action the CPP funds enabled us to take during this period was to invest in the people, facilities and technological tools to expand our mortgage banking operation. We opened a new loan production office in Northville, Michigan. During the twelve months ended December 2010 we hired 30 new mortgage loan officers which enabled us to originate and sell more than \$2.2 billion in residential mortgage loans. The commercial lending described above included 7 loans totaling \$4,400,000 that are SBA loans. We have made a commitment to expand our SBA lending by adding additional staff and technical resources since receiving CPP funds.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

First Place Financial Corp.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.